

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20027
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On January 4, 2007, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers) proposing income tax, penalty, and interest for taxable years 1998 and 2001 through 2005 in the total amount of \$37,534.

The taxpayers filed a timely appeal. They did not request a hearing. The Tax Commission has reviewed the file and hereby issues its decision based upon the information contained in the file.

Because Tax Commission records showed the taxpayers met the state income tax filing requirements and had not filed their Idaho returns for 1998 and 2001 through 2005, the Bureau attempted to contact them for clarification. The taxpayers did not respond.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --
Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer

may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau determined the taxpayers had an income tax deficiency for tax years 1998 and 2001 through 2005 because they had not filed their Idaho returns. The Bureau prepared a Notice of Deficiency Determination advising the taxpayers of the determination of tax, penalty, and interest and sent it to their last known address. The taxpayers, through their Power of Attorney (POA), protested the determination.

The Bureau sent the taxpayers and their POA a letter acknowledging their protest. They were allowed additional time. However, when the promised returns did not arrive, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review.

In response to a letter from the Tax Policy Specialist, the taxpayers' POA sent a letter stating: "My clients wish to elect the second alternative by providing additional statements, documents or other materials to the commission in writing. These materials will be provided within forty-five (45) days of the date of this letter." The letter was dated May 21, 2007. More than 45 days have passed; yet, the taxpayers have submitted no information to the Tax Commission for consideration.

In the letter of protest, the POA stated the taxpayers did not reside in the state of Idaho "for the same period of time covered by the Notice of Deficiency." However, Voter Registration Forms each of the taxpayers filled out and signed on November 7, 2006, showed residence in Idaho for 10 years. Tax Commission records show the taxpayers filed Idaho resident income tax returns for 1999 and 2000. There is no record of returns filed before 1999 or since 2000.

The Bureau computed the taxpayers' Idaho income tax responsibility using the same filing status of married filing jointly with five exemptions as shown in IRS records. No withholding was

identified. The Bureau allowed the taxpayers credit for a \$312 tentative payment for 2002.

The interest and penalty added by the Bureau pursuant to Idaho Code §§ 63-3045 and 63-3046 was reviewed and found to be proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated January 4, 2007, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that [Redacted] pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$1,588	\$ 397	\$ 879	\$ 2,864
2001	3,051	763	987	4,801
2002	3,657	914	948	5,519
2003	5,373	1,343	1,108	7,824
2004	6,316	1,579	924	8,819
2005	6,353	1,588	548	8,489
			TOTAL DUE	<u>\$38,316</u>

Interest is computed through August 15, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this _____ day of _____, 2007, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]
[Redacted]

Receipt No.

[Redacted]